

LOSS CONTROL

STATE PROPERTY MANAGEMENT

1.0 GENERAL

This directive applies to all elements of the Department of Emergency and Military Affairs (DEMA) that receive and account for state property.

2.0 SCOPE

This directive is to give guidance regarding the management of all state property to include initial acquisition, inventory, security, transfer, loss or damage, and turn in.

3.0 AUTHORITIES

- a. Arizona Revised Statute (ARS) 26, Article 5, and ARS 41-712.C (as it applies to federal property managed by a state employee).
- b. State of Arizona Procurement Rules and Regulations, Article 8
Arizona Accounting Manual, Sec II, page G1-G5
- d. Arizona Administration Rules, R2-1-501 through R2-1-505
- e. State of Arizona Surplus Property Management Office State Property Disposal Manual
- f. DEMA Information Resource Management Plan
- g. DEMA Loss Control Plan
- h. DEMA Procurement Pamphlet 70-20-4, dated 15 December 1992
- i. AZ ARNG Pam 420-1, dated 25 April 1992, Real-Personal Property Management Maintenance System (as it applies to state property managed by Army federal employees).

4.0 RESPONSIBILITY

4.1 Resource Manager

The Resource Manager has overall responsibility for all state property within the Department of Emergency and Military Affairs. This responsibility includes development and execution of department policy as well as overall accountability.

4.2 DEMA Property Manager (DEMA-RMA-D)

The DEMA Property Manager is responsible for the total inventory of DEMA assets; in addition he/she is the primary advisor to the department on state property accountability issues. Any property disposal actions are the responsibility of the property manager. The directors of both the Division of Emergency Management and the Division of Military Affairs will designate property managers.

4.3 Holder of State Property

Supervisors of activities that employ state property (be they civilian or military) will appoint an employee to be responsible for such state property. Any employee who has responsibility for state property is responsible for the safekeeping, proper use and turn-in of all state property under his/her care. An employee is termed a property holder hereafter. The property holder signs hand receipt documentation for the property under his/her control.

5.0 DEFINITION OF TERMS

Durable Property - Property that is able to withstand wear or decay and is not currently listed on the agency's capital inventory.

Excess Property - Any property which has a remaining useful life but which is no longer required by the using agency in possession of the materials.

Expendable Property - Any supplies, materials and/or an item of equipment which:

- a. Has a useful life of one year or less.
- b. Is totally consumed in use.
- c. Loses its identity when used or attached to other units.

- d. Is more economically replaced than repaired.
- e. Has a nature that makes formal accountability impractical.

Materials - All property, including equipment, supplies, printing, insurance and leases of personal property but does not include land, a permanent interest in land or real property, or leasing space.

Nonexpendable Property - All tangible materials which have an original acquisition cost over an amount set by regulations and a probable useful life of more than one year.

Personal Property - All property which, due to its nature or physical characteristics, cannot be included within the scope or definition of real property: Personal property is capable of being moved from one place to another and usually has a useful life of temporary duration as compared to real property. Personal property is further classified as expendable or nonexpendable.

Property Holder - Any individual delegated by a supervisory authority to be responsible for state property.

Salvage - Property that is worn, damaged, deteriorated, in an incomplete condition, or of a specialized nature that has no reasonable prospect of sale or use, but retains some value in excess of its basic material content. Repairs required to make such property useable are estimated to cost in excess of 65% of original cost.

Supervisor - Any person who has authority over state activity involving state resources (be they civilian or military).

Surplus Property - Any property that no longer has any use to this state or property acquired from the United States government. This includes obsolete property, scrap materials, and nonexpendable property that has completed a life cycle.

6.0 NONEXPENDABLE PROPERTY

6.1 New Acquisitions

6.1.1 Receipt

The DEMA Property Manager assigns document number and I.D. number and assigns the item to the proper account, i.e., using account or property holding account. Property installed to buildings or land is exempted from being tagged. Installed property increases

the value of the land or building and is accounted for separately. DEMA Property Manager may delegate tagging procedures as needed.

6.1.2 Inventory Management

The following information will be maintained in the permanent DEMA state property data system:

- a. Document Number (assigned by DEMA Property Manager)
- b. Current Date
- c. I.D. Tag Number
- d. Description (including manufacture model number and serial number)
- e. Current Condition
- f. Location
- g. Fund Source (if different than General Fund)
- h. Cost (actual plus tax and ancillary costs, i.e. shipping, etc.)
- i. Acquisition Date
- j. Purchase Order Number/Property Disposal (SP101)
- k. Vendor Name, phone number, and invoice number for maintenance reference where warranties or service agreements are involved.

6.1.3 Computers

All purchases of computer equipment, software, and ancillary items must be approved in writing by Department of Administration (DOA) for the State of Arizona prior to purchase.

6.2 Issuance of State Property

Issuance of New Property

New property will be issued only after the information in paragraph 6.2 has been entered into the corresponding division property data system and the item has been properly tagged in accordance with established division procedure; either by affixing the tag to the item or by etching, painting or otherwise permanently marking the item.

Transfer of Property Between Property Holders

State property may be transferred between property holders only when the DEMA Property Manager is notified and both parties agree to the transaction. The DEMA Property Manager will coordinate such transfers. A copy of the DEMA 025 form, Issuance/Transfer Form (sample attached), will be issued to both parties, and the original kept on file with the DEMA Property Manager in order to update the divisions property data systems.

6.3 Care of State Property

Responsibility

All state property is to be protected against loss, theft or damage. Prudent care of all state property is the responsibility of the property holder.

6.3.2 Reporting Losses

Should loss, damage or theft occur, a memorandum, along with any police reports and individual statements, must be forwarded to DEMA Resource Management, DEMA-RM, with a copy furnished to the Division Property Manager's office, within ten working days of discovery of such loss, damage or theft. The Resource Manager will coordinate with the Adjutant General for a final determination of property loss accountability.

The DEMA Property Manager must report the loss to Department of Administration Fixed Asset. The report will contain all documentation sent by the property holder. At the same time, an SP101, along with a copy of the report will be sent to State Surplus Property. Only when an approved SP101 is returned by State Surplus Property can the item be removed from inventory.

6.4 Turn-in of State Property

Office is the only agency in the state of Arizona that has the authority to dispose of state property. This includes expendable as well as durable property. There is no exception.

8.0 INVENTORIES

8.1 Change of Property Holder

When a change of property holder occurs, a complete physical inventory must be conducted in conjunction with the DEMA Property Manager (DEMA-RMA-D) within thirty days of the effective date of transfer. The outgoing property holder will coordinate with the DEMA Property Manager to facilitate a smooth transfer of property accountability to the incoming property holder.

8.2 Physical Inventories

A complete physical inventory of all items on hand receipt will be completed in conjunction with the DEMA Property Manager once each state fiscal year, i.e., 1 July to 30 June. The inventory is mandated by the Arizona Accounting Manual, Sec II, Fixed Assets, dated 29 April 1994. A printout of all the fixed assets on the property handreceipt will be provided by the DEMA Property Manager to aid in the inventory process.

BY ORDER OF THE GOVERNOR:

THE ADJUTANT GENERAL



COL John A. McMurdie
Resource Manager